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INFO RUCNCIS/CIS COLLECTIVE
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C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 001119

STPDTS

E.O. 12958: DECL: 04/30/2019 TAGS: <u>ECON PGOV PINR PREL RS</u>

SUBJECT: MEDVEDEV'S LIBERAL GESTURES AND PUTIN DYNAMICS

REF: MOSCOW 994

Classified By: Ambassador John R. Beyrle: Reasons 1.4 (b, d).

11. (C) Summary: A series of liberal political gestures by Medvedev have excited speculation about dynamics within the political tandem, with a couple of analysts going so far as to predict Putin's imminent demise. However, well-connected political observers argue against over-interpreting these admittedly "interesting signals." While welcoming Medvedev's change in tone and emphasis on opening up channels of elite communication, they stress that the President is operating within a Putin-approved framework. While opinion-shaping political commentators and analysts depict a Putin as fully in charge and engaged, they acknowledge that Medvedev has become more comfortable in power and in emphasizing the democratic development of Russian political institutions. Medvedev's steps, however incremental, are in the right direction and reinforce the window of opportunity we have to encourage Russia's political and economic modernization. End Summary.

Medvedev's Spring Cleaning

12. (SBU) The significance of a series of liberal political signals by President Medvedev has dominated discussions of Moscow's commentariat (reftel). In quick succession, Medvedev gave:

-- his first Russian print interview to the opposition newspaper Novaya Gazeta;

-- held a three-hour meeting with the reconstituted Presidential Council on Human Rights in which he expressed regret over the demonization of NGOs;

-- attended a meeting of his liberal Institute for Contemporary Development think tank;

-- used a television interview to reassert that economic
stability does not come at the price of democracy;
-- launched a blog on the popular Live Journal provider as
part of his commitment to an unfettered Internet;

-- personally sacked a Moscow Ministry of Interior General for corruption; and

-- has made plans to visit the only region in Russia governed by an opposition politician.

The cumulative effect of Medvedev's gestures was interpreted by some as a slap at his patron, Prime Minister Putin. One Internet deputy editor proclaimed that Putin's departure was just a matter of time, with even an establishment political-military analyst like Aleksandr Golts predicting that Medvedev's thaw would led to the collapse of Putin's political construct.

13. (C) In a series of recent conversations, well-connected editors and political analysts welcomed Medvedev's tone and his commitment to opening up channels of elite communication, but argued that the President's actions to date were more about style than substance. Carnegie Center's Masha Lipman told us that Medvedev was providing a new sounding board for elites, which was necessary during a time of economic

uncertainty, but argued against over-interpreting the President's "interesting signals." Ekho Moskvy Chief Editor Aleksey Venediktov maintained that there was no fundamental shift in Russian policy, adding that this was the consensus view that came out of his twice weekly meetings with Moscow editors. Both noted that Medvedev's gestures were challenged by political realities on the ground: the politically driven trial of Khodorkovskiy, constant pressure against liberal news outlets (with Ekho the target of continued threats), the beating of human rights activist Lev Ponomarev, the actions to charge a regional Internet provider with extremism, the cancellation of one of the last political shows on television (the popular "To the Barrier" hosted by Vladimir Solovyev, who has highlighted corruption in the Russian judiciary), and the predictably manipulated mayoral elections in Sochi.

Coloring Inside the Lines

14. (C) Both critics (Nezavisimaya Gazeta Editor Konstantin Remchukov) and boosters of the President (Center for Political Technology Deputy Director Boris Makarenko) insisted to us that Medvedev was acting within a Putin-approved framework. On one hand, Makarenko described the President as cautious, legalistic, and quick to explain away GOR excesses -- a legal councilor rather than an advocate of liberal political change. On the other, Makarenko posited that Putin too was evolving; he noted Putin's insistence on designating a "contemporary and modern" successor and argued that "continuity does not rule out the possibility of course corrections." Trumpeting an opening in the political discourse, marked by principled and frank

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debates over economic policy, Makarenko argued that Putin was changing in response to the crisis, as seen in his frequent engagement with audiences around Russia, where he has been forced to listen respectfully to criticism. "He is no longer the impeccable communicator."

- 15. (C) We find little support for the thesis that Medvedev is infringing upon Putin's political power. Lipman, Venediktov and Remchukov all underscored to us that Putin proteges dominate the Russian economy and security services, with Medvedev still lacking a "team" that he can call his own. Remchukov told us the failure of the Kremlin-supported opposition Right Cause political party to jell was indicative of Medvedev's inability to create alternate vehicles for political encroachment. Remchukov speculated that the architect of Right Cause, Kremlin ideology czar Vyacheslav Surkov, was happy to see the project still-born, since his loyalties still lay with Putin and the ruling United Russia party. (Note: Surkov and Medvedev had a noticeably tense exchange during the President's meeting with civil society leaders. When Surkov attempted to deflect a question by responding that America tortured its prisoners, Medvedev without looking at Surkov -- tersely added "then Russia will be more democratic than America.") Remchukov noted that one of Medvedev's team, press spokesperson Timakova, was called on the carpet by Surkov for background comments to the press critical of Putin. Both Timakova and her husband, political analyst Budberg, have hinted that the spokesman position may be "too much for a woman" -- perhaps laying the foundation for her being eased out.
- 16. (C) There is consensus among the elite observers that Putin remains the center of power, with polling data revealing that more that half of Russian respondents to a nation-wide, BBC-sponsored survey expect the Prime Minister to return to the Kremlin, with his popularity only marginally dipping during the economic crisis. (The survey showed that only 15 percent of respondents considered Medvedev to be "in charge," vice 27 percent for Putin and 41 percent who saw them sharing power equally.) Ekspert editor Valery Fadeyev, who advises the liberal ruling party November 4 club, argued to us that press speculation over Medvedev's rise did the

President real harm, because it was palpably false. Adamant that Putin had not lost his desire to rule Russia, Fadeyev pointed to the Prime Minister's trademark grasp of complex data during his presentation to the Public Chamber on the anti-crisis program. Likewise, Venediktov reversed his earlier assessment that Putin was disengaging from the demands of being Prime Minister, emphasizing his busy schedule (that remains underreported on the White House website). Taking issue with press speculation over a new "thaw" under Medvedev, Fadeyev said that a real thaw -- in the context of Soviet history -- required a Stalin; rather than a thaw, the Russian leadership was placing a "democratic accent on the development of political institutions."

Medvedev Maturing

- 17. (C) Nevertheless, there is general agreement that Medvedev is becoming more comfortable with the trappings of power and with public appearances, with our contacts echoing the assessment of Dr. Kissinger and other western interlocutors that the President is more at ease and commanding than in the past. His three-hour session with the Council on Human Rights was praised by Editor of "Russia in Global Affairs" Fyodor Lukyanov, who told us that Medvedev acted "normally," without the wall of reserve that separates Putin from members of the liberal establishment. Lukyanov commented that it was natural for Medvedev to develop a different leadership persona, since "no one can be harder (tougher) than Putin," but maintained that the President's open and polite demeanor made a real difference with the human rights activists. Former Director of Khodorkovskiy's Open World Society Irina Yasina agreed with this characterization, even as she emphasized that Medvedev's civility did not translate into a rift with Putin or a reformulation of the tandem's balances of power.
- ¶8. (C) Comment: Medvedev's steps albeit incremental and cautious are in the right direction and underscore the window of opportunity we have to re-engage on issues of political modernization and economic reform. While the word "democratization" for many here evokes bitter memories of the chaotic 90s and the perceived complicity of the U.S. in weakening Russia's political and economic standing, modernization and innovation are buzzwords around which the westernizing elite are prepared to rally. Building on existing civil society dialogues and re-establishing business—to—business and government economic dialogues are vehicles for deepening our engagement in favor of Medvedev's new policy impulse and growing command of the political

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space. The fact that none of his "liberal gestures" would be undertaken without at least the tacit consent of his patron Putin is perhaps the most noteworthy integer in the equation. End Comment.

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